

FILED IN THE
U.S. DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

Sep 23, 2016

SEAN F. MCAVOY, CLERK

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

GEORGE TERRY LANGLEY,

Plaintiff,

v.

GEICO GENERAL INSURANCE
COMPANY,

Defendant.

No. 1:14-CV-03069-SMJ

**FINDINGS OF FACT AND
CONCLUSIONS OF LAW**

A bench trial was held August 15, 2016, through August 18, 2016. David Burton Trujillo and Kirk D Miller appeared on behalf of Plaintiff George Terry Langly. Alfred E. Donohue appeared on behalf of Defendant GEICO General Insurance Company. On August 18, 2016, after considering all of the evidence presented at the bench trial and reviewing the portions of the record designated by the parties, the Court stated findings of fact and conclusions of law on the record pursuant to Federal Rule of Civil Procedure 52(a). The following findings of fact and conclusions of law confirm and supplement the Court's oral findings and conclusions.

Also before the Court are Defendant's Motion for Judgment on Partial Findings Regarding the Insurance Fair Conduct Act Claim, ECF No. 291, and

**FINDINGS OF FACT AND CONCLUSIONS
OF LAW - 1**

1 Defendant's Rule 52(c) Motion for Judgment Dismissing Plaintiff's Claim for
2 Injunctive Relief, ECF No. 292. The Court denied Defendant's Motion for
3 Judgment on Partial Findings in an oral ruling on August 18, 2016. This written
4 decision confirms that ruling. With respect to Defendant's Motion for Judgment
5 Dismissing Plaintiff's Claim for Injunctive Relief, the Court is fully informed and
6 grants the motion.

7 **PENDING MOTIONS**

8 After close of Plaintiff's case, GEICO moved for Judgment on Plaintiff's
9 Insurance Fair Conduct Act claim (IFCA), ECF No. 291. The Court denied this
10 motion in an oral ruling on August 18, 2016. As the Court explained, the IFCA
11 creates a cause of action for violation of the Washington Administrative Code
12 provisions enumerated in Revised Code of Washington (RCW) Section
13 48.30.015(5). ECF No. 81 at 12–15. GEICO has not presented a sufficient basis for
14 the Court to revisit that decision, and the Court found that, following Plaintiff's
15 presentation of evidence, material issues of fact remained concerning whether
16 GEICO violated WAC 284-30-330(7).

17 GEICO also filed a motion pursuant to Federal Rule of Civil Procedure 52(c)
18 to dismiss Langley's claim for injunctive relief. ECF No. 292. A plaintiff may bring
19 an action for injunctive relief under Washington's Consumer Protection Act (CPA).
20 Wash. Rev. Code. § 19.86.090. In the Washington State courts, a plaintiff may ask

1 a court to enjoin the defendant's conduct even if the injunction will not enjoin the
2 plaintiff's own private interests. *See Scott v. Cingular Wireless*, 161 P.3d 843, 853
3 (Wash. 2007). However, the standing requirements of Article III of the United
4 States Constitution apply to limit this Court's jurisdiction to consider such claims.

5 To establish Article III standing, a plaintiff must show that:

6 (1) [he] has suffered an "injury in fact" that is (a) concrete and
7 particularized and (b) actual or imminent, not conjectural or
8 hypothetical; (2) the injury is fairly traceable to the challenged action
of the defendant; and (3) it is likely, as opposed to merely speculative,
that the injury will be redressed by a favorable decision.

9 *Friends of the Earth, Inc. v. Laidlaw Env'tl. Servs., Inc.*, 528 U.S. 167, 180–81
10 (2000). "In the context of injunctive relief, the plaintiff must demonstrate a real or
11 immediate threat of an irreparable injury." *Hangarter v. Provident Life and*
12 *Accident Ins. Co.*, 373 F.3d 998, 1021 (9th Cir. 2004).

13 Plaintiff asks this Court to order GEICO to take affirmative policy actions to
14 prevent future violations and to enjoin GEICO "from ever again engaging in the
15 conduct complained of." ECF No. 1-2 at 7. There is no evidence in the record
16 indicating that Langley will suffer an injury in fact if the court does not order the
17 requested injunctive relief. Accordingly, this court lacks jurisdiction to consider
18 Langley's claim for injunctive relief, and therefore grant's Defendant's motion for
19 judgment dismissing the claim.
20

FINDINGS OF FACT

The Court makes the following findings of fact from the evidence and testimony presented at the bench trial:

Langley's Purchase from Sunwest

1. On March 3, 2012, Plaintiff George Langley purchased a Ford E450 Sunseeker motorhome from Sunwest, Inc. Langley never took possession of that motorhome and Sunwest resold it to a third party for Langley on August 23, 2012.

2. In September 2012, Langley informally agreed to purchase a bigger motorhome, a 2007 Beaver Patriot RV (the "RV"), from Sunwest for \$270,648.00. Langley did not test drive this RV before buying it.

3. Langley made two \$40,000 cash down payments for the RV. One on September 26, 2012, and one on October 30, 2012. Sunwest provided Langley with handwritten receipts for these payments. Langley withdrew this cash from his personal safe. Sunwest also kept both cash deposits in a safe and did not deposit them in a bank. Accordingly, there are no bank records documenting either transaction.

4. Langley discussed financing to purchase the RV with Central Valley Bank in October 2012.

5. On November 17, 2012, Sunwest filed a Vehicle Certificate of Ownership with the Washington Department of Licensing, and on November 19, 2012, the Department of Licensing issued a title to the vehicle in Sunwest's name.

6. On November 21, 2012, Langley signed a purchase order to purchase the RV and a promissory note for a loan from Central Valley Bank in the amount of \$193,520.00 to cover the purchase price not paid in cash. Langley never test drove the RV before purchasing it.

7. On March 5, 2013, Langley submitted a Vehicle Certificate of Ownership Application to the Washington Department of Licensing.

8. The Department of Licensing issued a “Title Purposes Only” (TPO) title to Langley for the RV on March 8, 2013. TPO titles are generally used by wholesalers and retailers. Generally, sales tax has not been paid on a vehicle with a TPO title, and such vehicles are not registered to drive on the road.

9. The owner of Sunwest, Steve Walsh attributed the delay in registering the vehicle in Langley's name to his general difficulties maintaining proper bookkeeping.

10. Langley insured the RV with GEICO in April 2013.

The Rebuild

11. The RV had previously been totaled in an accident and had a Texas Salvage Vehicle Title.

1 12. Sunwest had purchased the RV at an auction for \$50,500 in June
2 2012.

3 13. The RV had front-end damage, but Walsh determined that it had no
4 frame damage, and he believed he could rebuilt it for a profit.

5 14. Walsh estimated he could rebuild the RV for a cost of \$80,000 to
6 \$100,000. Walsh secured a loan from his friend Joel Ylvisaker to cover the
7 majority purchase price and cost of parts for rebuilding the RV.

8 15. Sunwest maintained receipts for most of the parts and services it
9 purchased to rebuild the RV, but it did not track labor costs. The total cost of the
10 items tracked was \$50,364.34.

11 16. The rebuild was mostly completed when the Washington State Patrol
12 inspected the RV on November 19, 2012. The purpose of this inspection was to
13 certify that claimed repairs had in fact been completed and that stolen parts were
14 not used.

15 17. Sunwest stored the RV for Langley over the winter. When it was
16 brought out in the late spring. Walsh noticed several items that needed minor
17 repair, including a switch for the RV's generator.

18 18. Sunwest was unable to repair the generator switch and scheduled a an
19 appointment with a dealership, Rus Dean RV, in Pasco, Washington to repair the
20 switch.

The Fire

19. As Sunwest employee David Hubbard was driving the RV to Rus Dean RV in Pasco for repairs to the generator switch on June 10, 2013, the RV caught fire. The fire began at approximately 5 p.m.

20. Hubbard was unable to put the fire out, and the fire completely destroyed the RV.

21. Langley reported the loss to GEICO the following morning, on June 11, 2013.

22. Langley never drove the RV at any time before it was destroyed by fire. Langley had no personal possessions in the RV at the time of the fire.

Insurance Investigation

23. Shortly after the fire, GIECO sent a field investigator, who observed the RV and determined it was a total loss.

24. GEICO briefly interviewed Langley about the fire in its initial investigation.

25. GEICO assigned the claim to its Special Investigation Unit to investigate the loss. It is GEICO's policy to assign all total vehicle losses due to fire to the Special Investigation Unit.

26. GEICO completed an origin and cause report on June 20, 2013, which indicated where the fire started and its likely cause.

1 27. After conducting an initial investigation, GECIO determined that the
2 claim investigation should be handled by an attorney. GEICO made this decision
3 because the claim was unusually complicated and because several red flags were
4 present that it believed could be indicators of fraud.

5 28. Those red flags included that (1) the RV was totally destroyed by fire
6 relatively soon after the policy was issued; (2) the RV was not being driven by
7 Langley at the time of loss; (3) Langley had no personal property inside the RV;
8 (4) the RV had a previous salvage title, which had not been disclosed to GEICO;
9 (5) the RV was not registered in Langley's name within 45 days of the sale; and
10 (6) that the RV had a TPO title.

11 29. Several of these factors raised concern that Langley did not actually
12 have possession and control of the RV at the time of the fire, and that he may
13 instead have been financing repairs and sale of the RV.

14 30. GEICO retained attorney Rory Leid to work on the claim in early
15 July 2013.

16 31. On July 17, 2013, Leid sent a letter to Langley to schedule
17 examinations under oath (EUO) with Langley and his wife and requesting that
18 Langley provide certain additional documentation, including photos, bank and
19 other financial records, and ownership paperwork.

20 32. Langley's EUO was scheduled for August 12, 2013.

1 33. Mr. Leid's firm typically schedules EUOs roughly three weeks out to
2 give people time to make arrangements for their schedules.

3 34. Claims generally do not require a EUO, but Leid determined an EUO
4 was necessary in this case because the claim was complicated and included the red
5 flags noted above that could indicate fraud.

6 35. Langley sent some of the requested materials to Leid. These materials
7 were received on July 31, 2013, and included: (1) receipts from Sunwest; (2) a
8 printout showing parts purchased; (3) a Washington State Patrol form; (4)
9 photographs of the RV; (5) bank records; and (6) the owner's manual for the RV.

10 36. After receiving information from Langley and following the EUO,
11 GEICO became aware of additional facts that raised concerns, including:

12 a. That Langley never took possession of the RV. The RV remained at
13 Sunwest's storage lot up until the day it was driven to Pasco for repairs and caught
14 fire. This was contrary to Langley's representation in his application that he
15 intended to store the RV at his home.

16 b. Langley produced only hand written receipts for \$80,000 in down
17 payments he made with cash withdrawn from his personal safe. This raised
18 questions concerning whether the payments were actually made.

1 c. Sunwest applied for a vehicle title in its name after Langley allegedly
2 agreed to purchase the RV and made a down payment, and the RV was not titled
3 in Langley's name until four months after he purchased the RV.

4 d. A significant portion of the proceeds from the loan for the RV was
5 disbursed to a third party, Joel Ylvisaker, who had business and personal
6 connections to Langley and Walsh.

7 e. Langley provided accounting services for Sunwest and created the
8 Sunwest corporate entities.

9 f. Langley had previously bought another RV from Sunwest, which he
10 never drove, and ultimately resold to Sunwest before purchasing the RV at issue
11 here.

12 g. There was no indication that sales tax had been paid on the RV.

13 37. Leid also believed that Langely was being evasive and not
14 cooperating with GEICO's investigation.

15 38. On August 13, 2013, Leid requested that Langley authorize release of
16 additional bank account information and information from Sunwest documenting
17 that the RV was repaired. Langley provided these authorizations on August 22,
18 2013. Leid acknowledged receipt of the authorizations on August 27, 2013. Leid
19 stated that he requested a 90-day authorization, but on the forms that were
20

1 returned, Langley changed the authorized period to 30 days. Leid testified that he
2 did not notice the change.

3 39. GEICO requested National Information Crime Bureau (NICB)
4 records on August 13, 2013, in order to obtain a complete report of the vehicle's
5 history, including sales tax information.

6 40. GEICO interviewed several other witnesses in addition to Langley in
7 August.

8 41. Lied sent requests for records from Central Valley Bank and
9 Sunwest, with Langley's signed authorizations, on October 17, 2013. Sunwest and
10 Central Valley Bank rejected the requests because the authorization had expired.

11 42. On October 22, 2013 GEICO received the information it had
12 requested from the NICB.

13 43. On October 29, Leid requested that Langley's attorney provide new
14 authorizations so that GEICO could obtain information from Sunwest and Central
15 Valley Bank that it needed to complete its investigation.

16 44. Rather than immediately provide this authorization, Langley's
17 attorney responded that Langley might provide these authorizations if GEICO
18 provided a detailed explanation for its delay and how much additional time was
19 needed for an investigation.

1 45. Following two additional letters from Leid, Langley ultimately
2 provided new authorization forms on November 15, 2013.

3 46. GEICO again sent requests for records to Sunwest and Central Valley
4 Bank on November 27, 2013.

5 47. GEICO subsequently learned that the Central Valley Bank account
6 number Langley had provided on the authorization forms was incorrect, and on
7 December 6, requested that Langley provide the correct number.

8 48. Sunwest provided documents to GEICO on December 6, 2013.

9 49. Langley's attorney provided updated releases for Central Valley
10 Bank, with the correct account number, on December 11, 2013.

11 50. On December 12, 2013, Leid sent a letter to Sunwest stating that it
12 appeared information was missing from the documents produced by Sunwest in
13 response to GEICO's request, including proof of IRS filing, correspondence
14 between Sunwest and other parties involved in the matter, a breakdown of the
15 purchase price and payments, accounting of the labor completed by Sunwest, and
16 photographs documenting the repairs.

17 51. Sunwest responded that it had produced all of the records it had
18 regarding the RV and the sale to Langley.

19 52. GEICO received the records it requested from Central Valley Bank
20 on January 29, 2014.

1 53. GEICO ultimately determined that it had sufficient proof that
2 Langley purchased the RV and that it did not have a sufficient basis to conclude
3 Langley made any material misrepresentations when he applied for coverage or
4 that he otherwise did not have an insurable interest in the RV. Accordingly,
5 GEICO decided to afford coverage.

6 54. GEICO consulted Scott Twomey at Poulsbo RV to determine the pre-
7 loss value of the RV. Twomey estimated the value at \$20,000, concluding that
8 there was insufficient information to confirm that the RV had been fully restored,
9 and that its only value was for salvage.

10 55. GEICO did not rely on Twomey's appraisal; instead, it relied on the
11 "only arm's-length transaction"—the auction purchase by Sunwest—to conclude
12 that the pre-loss value was \$50,500.

13 56. GEICO investigator John Floyd explained the decision as follows: In
14 his deposition testimony, Floyd was asked: "You ultimately decided not to go
15 with your expert's actual cash value amount in Mr. Langley's vehicle; is that
16 correct?" Floyd responded: "That is correct. . . . Because we wanted to give Mr.
17 Langley the benefit of the doubt, and we agreed to go ahead and offer the amount
18 that was paid allegedly by Sunwest at the time that they purchased it from Texas."

19 57. Leid similarly explained: "So, one of the things that GEICO
20 struggled with throughout is that the sale to Mr. Langley was not an arm's length

1 transaction. He was intimately involved with the business as an accountant and
2 had knowledge and friendship, and so you couldn't necessarily trust the
3 transaction. What GEICO elected to do is trust the only arm's length transaction
4 that was present regarding the RV, and that was the arm's length transaction when
5 Sunwest bought the RV from Texas."

6 58. On February 19, 2014, GEICO sent Langley a coverage
7 determination letter stating that it would pay \$50,500, which it had determined
8 was the actual cash value of the vehicle. This is the same amount Sunwest paid to
9 purchase the RV at auction.

10 59. Langley's expert, David Smith, estimated the pre-loss value of the
11 RV at \$242,863.66.

12 60. To arrive at this figure, Smith reviewed the value of the base vehicle
13 new, the title history of the vehicle, and the condition of the vehicle, and
14 compared the list price of similar vehicles. Smith's information about the
15 condition of the vehicle was based on discussions with Sunwest, Langley, and a
16 review of photos. Smith then discounted the pre-loss value by 22 percent based on
17 the RV having been rebuilt.

18 61. Smith also calculated a daily loss of use value of \$614.33, which was
19 based on an average of daily rental rates for three roughly similar RVs.

Procedural History

62. Langley filed this action in state court on May 6, 2014. Langley's complaint alleges four claims against GEICO: That GEICO (1) breached its implied duty of good faith and fair dealing under its contract with Mr. Langley; (2) committed the tort of bad faith; (3) violated Washington's consumer protection act; and (4) violated Washington's Insurance Fair Practices Act.

63. GEICO removed this action to this court on May 27, 2014.

64. On August 29, 2014 the Court granted GEICO's motion to compel appraisal pursuant to the terms of the insurance contract.

65. The parties attended an appraisal hearing on May 28, 2015, and on June 3, 2015, the appraisal panel determined the actual cash value of the RV on the date of loss was \$170,000.00.

CONCLUSIONS OF LAW

Jurisdiction and Venue

1. The Court has jurisdiction over all of Langley's claims pursuant to 28 U.S.C. § 1332.

2. Venue is proper under 28 U.S.C. § 1391(b) because a substantial part of the events giving rise to Langley's claims occurred in this judicial district.

Bad Faith

3. Because it is undisputed that Langley and GEICO entered into an insurance contract that provided coverage for the loss of Langley's RV and that GEICO owed Langley a duty of good faith, Langley's contract and tort bad-faith claims may be analyzed together. *See Smith v. Safeco Ins. Co.*, 78 P.3d 1274, 1276 (Wash. 2003) ("[A]n insurer has a duty of good faith to its policyholder and violation of that duty may give rise to a tort action for bad faith."). To prevail on both of these claims Langley must prove, by a preponderance of the evidence, that GEICO breached its duty of good faith and that the breach proximately caused him damages. *Id.*

4. To establish that an insurer breached its duty of good faith, a policyholder must show the insurer's actions were "unreasonable, frivolous, or unfounded." *Id.* at 1277.

5. Langley alleges that the nature and duration of GEICO's investigation was unreasonable and that the amount GEICO eventually proposed to pay was inadequate and unreasonably low.

6. Langley has not met his burden of proving, by a preponderance of the evidence, that the nature and duration of GEICO's insurance investigation was unreasonable.

1 a. The evidence presented in this case demonstrates that this was
2 an unusually complicated claim. Several indicators were present very near the
3 outset of GEICO's investigation that justified a more-thorough-than-usual
4 investigation, including that (1) the RV was totally destroyed by fire relatively
5 soon after the policy was issued; (2) the RV was not being driven by Langley at
6 the time of loss; (3) Langley had no personal property inside the RV; (4) the RV
7 had a previous salvage title, which had not been disclosed to GEICO; (5) the RV
8 was not registered in Langley's name within 45 days of the sale; and (6) the RV
9 had a TPO title. After conducting additional investigation, and interviewing
10 Langley, GEICO became aware of additional facts that required further
11 investigation, including that: (1) Langley never took actual possession of the RV;
12 (2) Langley produced only hand written receipts for \$80,000 in down payments he
13 made with cash withdrawn from his personal safe; (3) Sunwest applied for a
14 vehicle title in its name after Langley allegedly agreed to purchase the RV and
15 made a down payment; (4) a significant portion of the proceeds from the loan for
16 the RV was disbursed to a third party, Joel Ylvisaker, who had personal and
17 business connections with both Langley and Walsh; (5) Langley provided
18 accounting services for Sunwest and created the Sunwest corporate entities; (6)
19 Langley had previously bought another RV from Sunwest, which he never drove,

1 and ultimately resold to Sunwest before purchasing the RV at issue here; and (7)
2 there was no indication that sales tax had been paid on the RV.

3 b. None of those facts prove that there was fraud or that Mr.
4 Langley misrepresented facts to GEICO—indeed GEICO ultimately decided to
5 afford coverage—but they all support the need for a thorough investigation that
6 took significant time.

7 c. Some of the delay in the investigation can be attributed to
8 Langley's failure to fully cooperate with the investigation. In particular, Langley
9 could have simply obtained the documents GEICO was seeking from Central
10 Valley Bank and Sunwest or directed Central Valley Bank and Sunwest to provide
11 them to GEICO long before they were ultimately produced in December 2013 and
12 January 2014.

13 d. GEICO has failed to adequately account for the delay between
14 when Leid received Langley's authorizations to obtain records from Sunwest and
15 Central Valley Bank on August 27, 2013 and when he sent the authorizations to
16 Sunwest and Central Valley Bank on October 17, 2013. However, this did not
17 contribute to any overall delay because GEICO did not receive a report it
18 requested from NICB until October 22, 2013.

1 e. The Court finds that GEICO worked reasonably quickly to
2 conduct its investigation of this unusually complicated claim. The eight month and
3 nine day total duration of the investigation was not unreasonable.

4 7. Langley has proven, by a preponderance of the evidence, that
5 GEICO's February 19, 2014 settlement offer of \$50,500 was unreasonable.

6 a. Once GEICO decided to afford coverage, its obligation under
7 the contract was to provide coverage for the pre-loss actual cash value of the RV.

8 b. GEICO's expert determined that because it had previously
9 been totaled in an accident, the RV's only value was for salvage, and estimated its
10 value at \$20,000. Plaintiff's expert, by contrast, testified that only a 20 percent
11 discount should be applied for a properly rebuilt vehicle.

12 c. The Court need not decide whether it would have been
13 reasonable for GEICO to rely on its expert's appraisal, and to offer to settle
14 Langley's claim for \$20,000 because GEICO did not rely on this appraisal.
15 Instead, GEICO decided to set the pre-loss value at the amount Sunwest paid to
16 purchase the RV at auction, \$50,500.

17 d. GEICO offers no justification for this amount other than that it
18 was based on the last "arm's length transaction" involving the vehicle. GEICO's
19 concerns about the nature of the underlying purchase may have been relevant to a
20

1 decision to deny coverage, but those concerns should not have affected GEICO's
2 determination of pre-loss actual cash value once it decided to afford coverage.

3 e. GEICO had before it more than \$50,000 in receipts from Sun
4 West and photographs showing that the RV had been rebuilt, as well as statements
5 from Walsh GEICO that he rebuilt the RV. GEICO offered no legitimate
6 justification for completely disregarding this evidence.

7 8. The Court concludes that GEICO's unreasonable offer to settle his
8 claim proximately caused Langley's damages. However, the Court will withhold a
9 final decision on the amount of damages pending supplemental briefing from the
10 parties.

11 *Consumer Protection Act.*

12 9. To prevail on a Consumer Protection Act (CPA) claim, a plaintiff
13 must show: (1) an unfair or deceptive act or practice; (2) in trade or commerce; (3)
14 which affects the public interest; (4) that injured the plaintiff's business or
15 property; and (5) that the unfair or deceptive act complained of caused the injury
16 suffered. *Hangman Ridge Training Stables, Inc. v. Safeco Title Ins. Co.*, 105
17 Wash.2d 778, 784–85 (1986).

18 10. WAC 284-30-330(7) provides that it is an unfair settlement practice
19 to "Compel[] a first party claimant to initiate or submit to litigation, arbitration, or
20 appraisal to recover amounts due under an insurance policy by offering

1 substantially less than the amounts ultimately recovered in such actions or
2 proceedings.”

3 11. Absent a defense of reasonableness, *see Starczewski v. Unigard Ins.*
4 *Co.*, 810 P.2d 58, 61 (1991), violation of WAC 284-30-330(7) is an unfair and
5 deceptive act or practice in trade or commerce for the purpose of the CPA. *See*
6 *Dombrosky v. Farmers Ins. Co. of Wash.*, 928 P.2d 1127, 1136 (Wash. App.
7 1996).

8 12. As discussed, GEICO’s offer to pay Langley \$50,500 to settle his
9 insurance claim was unreasonable and unsupported.

10 13. GEICO’s unreasonable offer caused Langley to initiate this litigation
11 and to proceed with appraisal of the actual cash value of the loss.

12 14. Langley ultimately recovered \$170,000 from the appraisal, more than
13 three times GEICO’s original offer.

14 15. The Court concludes that GEICO’s offer of \$50,500 violated WAC
15 284-30-330(7) and was therefore an unfair or deceptive practice.

16 16. The Court concludes that GEICO’s action in violation of the CPA
17 proximately caused injury to Langley.

18 17. As discussed, the Court will withhold decision on the amount of
19 damages pending further briefing from the parties.

Insurance Fair Conduct Act

18. As the Court explained in its order denying GEICO's motion for partial summary judgment on February 26, 2015, to maintain a cause of action under the IFCA, Plaintiff must prove (1) an unreasonable denial of a claim for coverage, (2) an unreasonable denial of payment of benefits, or (3) a violation of WAC 284-30-330, 350, 360, 370, 380, or an unfair claim settlement practice rule adopted under RCW Section 48.30.010 by the insurance commissioner that is codified in chapter 284-30 of the Washington Administrative Code. Wash. Rev. Code § 48.30.015.

19. As discussed, GEICO's offer to settle Langley's claim for \$50,500 was unreasonable and violated WAC 284-30-330(7).

20. GEICO's action was therefore a violation of the IFCA.

21. The Court concludes that GEICO's action in violation of the IFCA caused Langley actual damages.

22. The Court will withhold decision on the amount of actual damages and whether to impose additional damages pursuant to RCW Section 48.30.015(2) pending additional briefing from the parties.

Accordingly, **IT IS HEREBY ORDERED:**


1. Defendant's Motion for Judgment on Partial Findings Regarding Insurance Fair Conduct Act Claim, **ECF No. 291**, is **DENIED**.

2. Defendant's Rule 52(c) Motion for Judgment Dismissing Plaintiff's
Claim for Injunctive Relief, **ECF No. 292**, is **GRANTED**.

3. The parties shall file supplemental briefing on the issue of damages
consistent with these findings and conclusions on or before **Thursday,**
October 6, 2016. The parties' briefs shall not exceed **15 pages**.

IT IS SO ORDERED. The District Court Executive is directed to enter this
Order and provide copies to all counsel.

DATED this 23rd day of September 2016.



SALVADOR MENDOZA, JR.
United States District Judge